

EXHIBIT D

JUL 21 1975-8 40 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE

This Assignment of Lease dated as of July 17, 1975, entered into by and between Bay Development Company, a Michigan corporation (the "Assignor"), and THE DETROIT BANK AND TRUST COMPANY, a Michigan banking corporation (the "Bank"),

WITNESSETH:

WHEREAS, the Assignor and the Bank have entered into a Conditional Sale Agreement dated as of July 17, 1975 (the "Conditional Sale Agreement"), and a Financing Agreement dated as of July 17, 1975 (the "Financing Agreement"), pursuant to which the Assignor has agreed to purchase from the Bank, and the Bank has agreed to sell to the Assignor, the railway equipment listed and described in Schedule B attached to the Conditional Sale Agreement (said equipment hereinafter referred to as the "Equipment"); and

WHEREAS, the Assignor and Detroit and Mackinac Railway Company, a Michigan corporation (the "Lessee"), have entered into an Equipment Lease dated as of June 12, 1975 (the "Lease"), pursuant to which the Lessee has leased from the Assignor the Equipment; and

WHEREAS, in order to induce the Bank to loan and advance the Conditional Sale Indebtedness (as that term is defined in the Conditional Sale Agreement) to the Assignor and in order to provide security for the obligations of the Assignor under the Conditional Sale Agreement, and the Financing Agreement, the Assignor has agreed to assign for security purposes its rights in, to and under the Lease to the Bank.

NOW, THEREFORE, in consideration of the promises and the covenants hereinafter contained, the parties hereto agree as follows:

1. The Assignor hereby assigns, transfers and sets over to the Bank, as collateral security for the payment and performance of the Assignor's obligations under the Conditional Sale Agreement, and the Financing Agreement, all the Assignor's right, title and interests, powers, privileges and other benefits under and pursuant to the Lease, including, but not limited to, the right to receive and collect all rentals, profits and other sums payable to or receivable by the Assignor from the Lessee pursuant to the provisions of the Lease, whether rent, casualty payment, indemnity, liquidated damages or otherwise, together with the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in the Lease, and to do any and all other things whatsoever which the Assignor is or may become entitled to do under the Lease. In furtherance thereof, the Assignor hereby irrevocably authorizes and empowers the Bank in its own name, or in the name of its nominee, or in the name of the Assignor to ask, demand, sue for, collect and receive any and all sums to which the Assignor is or may become entitled to under the Lease, and to enforce compliance by the Lease with all the terms and provisions thereof. Notwithstanding the foregoing provisions hereof, the Assignee shall not demand, sue for, collect or receive rentals, profits or other sums payable under and pursuant to the Lease unless and until the Assignor shall have defaulted in the performance of one or more of the obligations imposed upon it under the above-referenced Financing Agreement or Conditional Sale Agreement or this Assignment of Lease.

2. The execution and delivery of this Assignment shall not subject the Bank to, or transfer, pass or in any way modify or affect, the liability of the Assignor under the Lease. The Bank shall have no obligation or duty to enforce payment of any sum due under the Lease, and the Bank does not assume and shall not be subject to any obligation or liabilities under the Lease.
3. The Assignor warrants and covenants that:
 - (a) The lease is the valid, genuine and legally enforceable obligation of the parties thereto;
 - (b) The Railway equipment comprising the Equipment has been delivered to and accepted by the Lessee under the Lease;
 - (c) The Assignor has performed and will perform all things required of it under the Lease;
 - (d) The Assignor will not amend, modify, terminate or otherwise alter the terms of the Lease, nor accept surrender of any item comprising the Equipment, without the prior written consent of the Bank; and
 - (e) No assignment of the Lease or any payments due thereunder has been made to any other person.
4. Upon the full discharge and satisfaction of all of the Assignor's obligations under the Conditional Sale Agreement, and the Financing Agreement, this Assignment and all the rights herein assigned to the Bank shall terminate, and all right, title and interest of the Bank in and to the Lease shall revert to the Assignor.
5. If an event of default under the Conditional Sale Agreement or the Financing Agreement shall occur and be continuing, the Bank may apply all payments made pursuant to the Lease against the amounts due and payable under the Conditional Sale Agreement and may otherwise enforce all the rights and remedies of the Assignor under the Lease and apply the net proceeds from such exercise against the amounts due and payable under the Conditional Sale Agreement.
6. The Assignor will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file any and all further instruments required by law or reasonably requested by the Bank in order to confirm or further assure the interest of the Bank hereunder.
7. The Bank may assign all or any of the rights assigned to it hereby or arising under the Lease, including, but not limited to, the right to receive any payments due or to become due under the Lease. In the event of any such assignment, any such subsequent or successor assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Bank hereunder.
8. This Assignment shall be governed by the laws of the State of Michigan, but the parties hereto shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

9. It is hereby mutually agreed that the Bank has retained security title to the Equipment, and in the event the Bank exercises its rights in and to the Equipment, or a portion thereof, whether upon the occurrence of an event of default under and pursuant to the Conditional Sale Agreement or otherwise, the Bank may sell or transfer the Equipment or a portion thereof, at its option, free and clear of, or subject to, the Lease, as the Bank in its discretion shall determine in each instance.
10. Should any warranty, representation or agreement herein contained be or become untrue or unperformed, then, or at any time thereafter at the option of the Bank, the indebtedness of Assignor secured hereby shall become, without notice, immediately due and payable.
11. Nothing herein contained shall alter or impair the obligations of the Assignor under and pursuant to the terms of any other agreement between the Assignor and the Bank, and the rights of the Bank hereunder are in addition to the rights of the Bank under the terms of any such other agreement and as provided by law.
12. The Bank hereby agrees that it will not, so long as an event of default under the Lease or under the Conditional Sale Agreement has not occurred, exercise or enforce, or seek to exercise or enforce, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Assignor to the Bank pursuant to this Assignment.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

BAY DEVELOPMENT COMPANY

By

Charles A. Pinkerton III President

By

Glen C. Highfield Secretary

(Corporate Seal)

Attest:

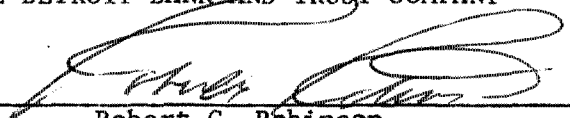
By

Its

Michael J. Bil
Legal Counsel

THE DETROIT BANK AND TRUST COMPANY

By


Robert C. Robinson

Its


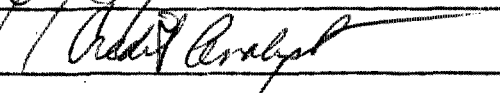
Vice President

(Corporate Seal)

Attest:


By

Its

State of Michigan)
County of ¹⁰⁵⁰⁰ ~~Wayne~~) ss

On this 12th day of July, 1975, before me, a Notary Public in and for said County, personally appeared Charles A. Pinkerton III and Glen C. Highfield to me personally known, who, being by me duly sworn, says that they are the President and Secretary of _____, a Michigan corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

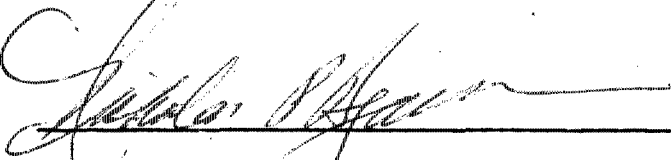


10500
Notary Public, ~~Wayne~~ County, Michigan
My commission expires: 19 Apr 78
G. MANOREK

(Notarial Seal)

State of Michigan)
County of Wayne) ss

On this 17 day of July, 1975, before me, a Notary Public in and for said County, personally appeared Robert C. Robinson to me personally known, who, being by me duly sworn, says that he is the Vice President of THE DETROIT BANK AND TRUST COMPANY, a Michigan banking corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public, Wayne County, Michigan
My commission expires: _____

NICHOLAS P. BOGAERTS
Notary Public, Oakland County, Mich.
Acting in Wayne County, Mich.
My Commission Expires May 20, 1978

(Notarial Seal)